## REMARKS

### Status of Claims

Claims 1-2, 5-13, 15-28, 30-39, 41, 47-51, 53-56, 58 60-65, 70-75, 78, 80-89 and 91-94 are currently pending. Claims 3, 4, 9, 14, 29, 40, 42-46, 52, 57, 66-69, 76-77, 79 and 90 have been cancelled. Claims 1, 48 and 88 are independent claims.

### Rejections Under 35 U.S.C. §102

Claims 1-2, 5-13, 15-28, 30-39, 41, 47-51, 53-56, 58, 60-65, 70-75, 78, 80-89 and 91-94 are rejected under §102(b) as being anticipated by U.S. Patent No. 5,943,656 to Crooks et al. (Crooks).

Crooks discloses methods and systems for computerized bill consolidating, billing and payment authorization, computerized utility bill consolidating, utility billing access and payment and utility provider consolidating billing systems. Notably, the Crooks specification focuses on consolidation of bills generated by utility companies for their customers. Thus, there is a direct contractual relationship between each utility company that generates a bill and its customer which receives the bill. Therefore, while the specification discusses the invention using the terms "billing entity" and "billable entity" (see Col. 4, ll. 4-18), in each and every instance where a bill is presented by a billing entity, as such, to a billable entity, according to Crooks, there is a direct contractual relationship between the billing entity and the billable entity. No such contractual relationship exists between the billing entities and paying entity in applicant's invention.

The Crooks system provides a host computer system having a database in which information associated with the billable entity is stored. Crooks, col. 1, l. 62 - col. 2, l. 19. Billing information received from the billing entity is associated with a bill for

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payment by the billable entity. Id. The billable entity is provided with remote electronic

access to the billing information in the host computer and can authorize payment. Id.

Claim 1.

Applicant's claim 1 recites in part:

5    one or more memories for storing a list of tasks, performance of
each of said tasks adding value to the construction project for the paying
entity, each of the one or more billing entities for performing at least one
of said tasks, each said billing entity having no contractual privity with said
paying entity, each said task to be performed by only an associated one of
10 said one or more billing entities, said one or more memories capable of
recording for each said task the identity of said associated billing entity,
each task having a definition sufficiently clear that completion of said task
can be inspected and completed performance verified by an authorizing
entity other than the paying entity, . . .

15 As stated above, Crooks does not disclose a business relationship wherein the

billing entity is a contractual stranger to the paying entity. Nor does Crooks disclose a

construction project in which each task in a list of tasks is performed by a billing entity to

provide value to the construction project for a paying entity with which the billing entity

has no contractual privity.

20 Crooks discloses that "billing information from billing entity 32 is received into

host computer 22. The billing information is or can be associated with a bill or amount

for payment by billable entity 34 to billing entity 32." Crooks, col 4, ll. 42-45. The billing

information comprises essentially "invoice details" (Col. 10, l. 52) reflecting provision of

a utility service by the billing entity to the billable entity. See Crooks, col. 10, l. 50 - col.

25 11, l. 63, and Fig. 12. Crooks further describes an audit process wherein billing

information received from the billing entity is "checked against pre-determined tolerance

parameter(s) for determining whether the billing information satisfies such

parameter(s)." Id., col. 5, ll. 20-22. Examples given show that the tolerance

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parameters limit the amount by which the current bill may exceed the average of amounts previously billed. Id., col. 5, ll. 41-67.

Crooks is not directed to a system wherein each task billed for is associated with and to be performed only by one billing entity. The billing information disclosed by Crooks does not require a unique association between each task and one associated billing entity. Multiple utilities, for example, could supply electricity or water services to a single customer. Moreover, the audit process described in Crooks only checks to see if the bill is larger than average amounts previously billed, not whether the particular task for which a request for payment has been received is uniquely associated with only one billing entity. No such association is required by Crooks.

Crooks discloses that "Upon receiving the consolidated amount, billable entity 34 can, at step 240 (FIG. 5) authorize payment thereof." Col. 6, ll. 17-18. Authorization in the sense it is used in Crooks means merely approving payment of the bill. Crooks is not directed to a list of tasks defined with sufficient clarity that an independent third party authorizing entity can verify that the task being billed has been completed. Crooks, rather, discloses a system where bills are presented to customers for completed services that do not require inspection by a third party authorizing entity to determine that the services have been completed and verification thereof. A distinct advantage of applicant's invention is that tasks are sufficiently well defined that an independent third party may inspect and verify completed performance, thereby permitting billing entities not in a direct contractual relationship with the paying entity to submit their bills to the host computer for payment. Applicant's invention thus bypasses the normal requirement of submitting bills "up" the heirarchy in a construction project.

Applicant's claim 1 terminates with the following recitation:

wherein, when said one or more network interfaces receives a request from one of said billing entity nodes for payment for completed performance of one or more of said tasks by said associated billing entity, if completed performance of said one or more tasks is verified by said authorizing entity said one or more processors prepares a bill for said associated billing entity for transmission to said at least one paying entity node requesting payment by the at least one paying entity to said associated billing entity for completed performance of said one or more tasks.

Crooks is not directed to inspection by an independent third party for completed performance of a task as a predicate to preparation of a bill for presentation to the paying entity.

For the above-stated reasons, applicant asserts that his invention as recited in claim 1 is patentably distinguishable over Crooks. Applicant therefore respectfully requests that the rejection of claim 1 under §102(b) be withdrawn.

Claims 48 and 88 are directed to limitations similar to those of claim 1. Therefore, applicant respectfully requests that the rejections of claims 48 and 88 be withdrawn for the same reasons articulated above in connection with claim 1.

Claims 2, 5-8, 10-13, 15-28, 30-39, 41, 47, 49-51, 53-56, 58, 60-65, 70-75, 78, 80-87, 89 and 91-94 all depend directly or indirectly from claims 1, 48 and 88 and contain similar limitations. Therefore, applicant respectfully requests that the rejections of claims 2, 5-8, 10-13, 15-28, 30-39, 41, 47, 49-51, 53-56, 58, 60-65, 70-75, 78, 80-87, 89 and 91-94 be withdrawn for the same reasons articulated above in connection with claim 1.

Claim 7.

Applicant's Claim 7 recites:

The system for direct presentment and payment of bills of claim 1, wherein:
when said one or more network interfaces receives said request for

payment for a performed task, said one or more processors verifies that said performed task is identified in said list of tasks and that the billing entity requesting payment is the billing entity associated with said task.

Claim 7 is rejected in view of Crooks, col. 4, l. 4 - col. 5, l. 67 which discloses that billing information from a billing entity associated with a bill or amount for payment may be received by the host computer. Crooks, col. 4, ll. 42-47. Crooks further describes an audit process wherein billing information received from the billing entity is "checked against pre-determined tolerance parameter(s) for determining whether the billing information satisfies such parameter(s)." Id., col. 5, ll. 20-22. Examples given clarify that the tolerance parameters limit the amount by which the current bill may exceed the average of amounts previously billed. Id., col. 5, ll. 41-67. Crooks, thus, is not directed to verifying that a task for which a request for payment is received is identified in a list of tasks and that that billing entity requesting the payment is associated with the task.

Claim 8.

Applicant's claim 8 recites:

The system for direct presentment and payment of bills of claim 1, further comprising:
said one or more processors calculating a retention amount to be withheld by said paying entity from payment of said bill,
said bill identifying said retention amount.

Crooks does not disclose, relate to or anywhere discuss calculating a retention amount for withholding by the paying entity or identifying the retention amount on the bill.

Claim 51 is directed to limitations similar to those of claim 8. Therefore, applicant respectfully requests that the rejection of claim 51 be withdrawn for the same reasons articulated above in connection with claim 8.

Claim 10.

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Applicant's claim 10 recites:

> The system for direct presentment and payment of bills of claim 9, wherein:
> said bill for said billing entity includes only those tasks associated with said one of said one or more billing entities.

Similar to the discuss on claim 1 above, Crooks does not disclose a bill which includes only tasks each of which is uniquely associated with only one billing entity.

Claim 12.

Applicant's 12 recites:

> The system for direct presentment and payment of bills of claim 9, wherein:
> said one or more processors is for comparing said list of tasks and identifying duplicate performance of any task by more than one of said one or more billing entities, and for reporting any identified duplicated tasks to said paying entity.

Crooks discloses an auditing process including tolerance parameters which, among other things, includes a parameter specifying that "the bill cannot be duplicated within the system." Id., col. 5, ll. 48-49. Crooks discloses nothing further pertaining to duplicate bills. Crooks is not, however, directed to a list of tasks each of which is unique and uniquely associated with only one billing entity such that a task for which a request for payment has been received may be compared against the other tasks in the list of tasks to check for duplicate performance of any one task and for reporting duplicated tasks to the paying entity.

Claims 50 and 55 are directed to limitations similar to those of claim 12. Therefore, applicant respectfully requests that the rejections of claims 50 and 55 be withdrawn for the same reasons articulated above in connection with claim 12.

Claim 26.

Applicant's claim 26, as amended, recites:

The system for direct presentment and payment of bills of claim 1, further comprising:
one or more authorizing entity nodes, and
said one or more network interfaces are further for sending and receiving data to and from said authorizing entity nodes, each one of said one or more authorizing entity nodes associated with an authorizing entity,
wherein, when said one or more network interfaces receives said request for payment, said one or more processors generates and submits to at least one of said authorizing entity nodes an authorization request, said authorization request requiring an authorizing entity to inspect said project to determine if each of said one or more tasks has been performed, and approve said request for payment for each of said one or more tasks that has been performed or disallow said request for payment for each of said one or more tasks that has not been performed.

Crooks discloses that when the billable entity receives the consolidated billed amount the billable entity may "authorize payment" of the bill and that, upon receiving payment authorization from the billable entity, the computer system may render payment to the billing entity. Crooks, col. 6, ll. 17-24. Thus, the act of authorizing payment is in Crooks performed by the billable entity and involves only approving the payment. Crooks is not directed to an independent authorizing entity receiving an authorization request that requires the independent authorizing entity to inspect the project to determine if the tasks, for which the request for payment has been received, have been performed and, if they have been performed, to approve the request for payment, or, if they have not been performed, to disallow the request for payment. No such third party authorizing entity is discussed or contemplated by Crooks.

Similarly, Crooks does not disclose and is not directed to the authorizing entity preparing an adjustment instruction for transmission to the host computer, and upon receipt thereof, the host computer generating a bill adjusted according to the adjustment instruction, according to applicant's claim 27. Nor is Crooks directed to generating a bill only upon receipt of the approval from the indendent authorizing entity,

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as recited in applicant's claim 28, the approval including verification that the tasks have been performed, as recited in applicant's claim 30.

As discussed above, Crooks discloses an auditing process. That process, however, does not disclose creating an authorizing request for an independent authorizing entity. Rather, the audit process merely involves the computer checking the billing information received from the billing entity against predetermined tolerance parameters. Crooks, col. 5, II. 22. Applicant's claim 26 and claims depending therefrom require inspection of the project for verification of completion of the task by an independent authorizing entity.

Claims 63-65 are directed to limitations similar to those of claims 26-28. Therefore, applicant respectfully requests that the rejections of claims 63-65 be withdrawn for the same reasons articulated above in connection with claims 26-28.

**Rejections Under 35 U.S.C. §103**

Claims 31-33 and 92-94 are rejected under § 103(a) as being unpatentable over Crooks and in view of Official Notice that several processes listed in the office action are old and well-known.

Claims 31-33, 93 and 94 depend directly or indirectly from claim 1 and claim 92 depends from claim 88. For the reasons given above in connection with claims 1 and 88, applicant asserts that claims 1 and 88 recite non-obvious limitations over Crooks. It would not have been suggested to combine Crooks or other references in the prior art to, for example, create and transmit to a billing entity node a claims release form, as recited in claim 31, in combination with the novel limitations of claim 1. Applicant therefore respectfully requests that the rejections of claims 31-33 and 92-94 under § 103(a) be withdrawn.

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**Conclusion**

In light of the above amendments and remarks, applicant respectfully submits that the application is in condition for allowance and earnestly requests that action.

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                                    Respectfully submitted,

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